



Chris Swope

Lansing City Clerk

December 11, 2015

Members of the Lansing City Council
10th Floor City Hall
Lansing, MI 48933

Dear Councilmembers:

The Minutes from the Meetings of the following Boards, Commissions, and Authorities of the City of Lansing were placed on file in the City Clerk's Office and are available for review in the City Clerk's Office and on the City Clerk's website (www.lansingmi.gov/clerk) under the heading of "Documents Placed on File."

BOARD NAME

DATE OF MEETING

Board of Appeals
Board of Water and Light Board of Commission
Park Board Meeting

September 8, 2015
September 22, 2015
September 9, 2015
October 14, 2015
October 8, 2015

Public Service Commission

Lansing Entertainment and Public Facilities Authority Audit for Year Ended June 30, 2015

If my staff or I can provide further assistance or information relative to the filing of these minutes, please contact us at 483-4131.

Sincerely,

Chris Swope, CMC, CMMC
Lansing City Clerk



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. Capitol Avenue, Suites C-1 • Lansing MI 48933-1238
(517) 483-4355 • FAX: (517) 377-0169

BUILDING SAFETY OFFICE

Virg Bernero, Mayor

OFFICIAL PROCEEDINGS OF THE CITY OF LANSING BUILDING BOARD OF APPEALS

Held at 316 N. Capitol Ave. at 2:00 pm
September 8, 2015

The September 8, 2015 meeting of the City of Lansing Building Board of Appeals was called to order at 2:00 PM. by Chairman Don Heck. The following members were in attendance:

Don Heck, Chairman
James Drake, Vice Chairman
Barry Wood
Chad Powers
Tom Knoy

Members Absent: None

Staff Present: James Bennett, Building Official
Jon Snyder, Plan Review Analyst/Secretary

Petitioners Present: Marry Swanson
Douglas Cook

Public Present: None

Chairman Don Heck asked for the approval of the March 31, 2015 special meeting minutes. Barry Wood made a motion to approve the minutes. Motion seconded by James Drake. Motion carried unanimously.

Old Business: None

New Business:

<u>Case No.:</u>	<u>Address:</u>	<u>Petitioner:</u>
BBA-002-2015	1925 Turner Street	Douglas Cook

(These minutes of the Building Board of Appeals are not intended to be a transcript.)

Chairman Don Heck (HECK) asked everyone to introduce themselves. Introductions were made.

Mary Swanson (SWANSON) gives brief history of when Mr. Cook purchased the property and that the offices were existing and a mezzanine was then constructed by him. She states Mr. Cook started the

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work without any permits. She states that only the back half of the mezzanine meets ceiling height requirements.

Douglas Cook (COOK) states he knows he was wrong to begin work without permits and that he really did not know proper procedure, but is asking for variance.

HECK asks COOK the heights of the mezzanine.

SWANSON answers 8 feet to 6 foot 3 inches.

HECK asks Jon Snyder (SNYDER) is there any additional information missing.

SNYDER answers that the existing offices were not built when the original building was built. There were no other permits pulled to construct these offices until this year, therefore the offices were built illegally.

SNYDER brings out copies of the original construction documents showing no offices or furnace room; and the proposed drawings from Mary Swanson showing the mezzanine on top of these spaces.

The members and petitioners review the construction documents.

HECK confirms from SWANSON that the actual ceiling heights in the mezzanine range from 7 feet 7 ½ inches to 6 feet 6 inches. This gives approximately 50% of the mezzanine area as being non-compliant.

Members and Petitioners discuss many options that were explored.

Barry Wood (WOOD) states that from an historical perspective he has issues with this. He has seen a lot of developers that make changes and then ask for forgiveness. He states he has a fundamental problem with that.

WOOD makes a motion to deny the request due to the fact that there exist other options for meeting the code. This does not meet a request for hardship.

Motion seconded by Chad Powers.

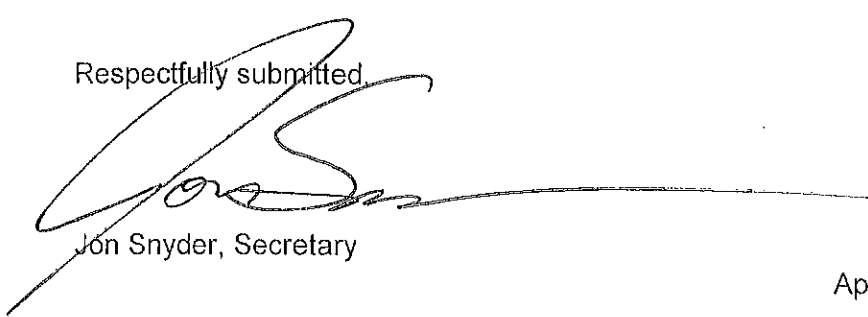
Motion carried unanimously.

Other Business: None

Public Comment: None

James Drake moved to adjourn. Motion seconded by Chad Powers. Motion passed unanimously.

Respectfully submitted,



Jon Snyder, Secretary

Draft date: 9/08/2015
Approved date: 11/10/2015

cc: Mayor's Office
City Clerk's Office
Appeal folders
Public file - original

Board Secretary
Building Safety Office Staff Representatives
Appeal applicants



MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

September 22, 2015

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 22, 2015.

Chairperson David Price called the meeting to order at 5:30 p.m.

Present: Commissioners Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross, Tracy Thomas, Sandra Zerkle. Non-Voting Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township), Bob Nelson (East Lansing).

Absent: None

The Corporate Secretary declared a quorum present.

Commissioner Nelson led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Ross, Seconded by Commissioner Mullen to approve the Regular Board Meeting minutes of July 28, 2015.

Action: Motion Carried

PUBLIC COMMENTS

MEMBERS OF THE PUBLIC ARE WELCOME TO SPEAK TO THE BOARD ON ANY AGENDA SUBJECT. ANYONE WISHING TO COMMENT ON ANY MATTER NOT ON THE AGENDA MAY DO SO IMMEDIATELY PRIOR TO ADJOURNMENT.

Calvin Jones, Director of Governmental Affairs, Community Service and Public Affairs stated his support for the appointment of Richard R. Peffley to the Charter Position of General Manager.

COMMUNICATIONS

- a. Email from Bill Conner Re: Assessment of Convenience Fee

Received and Placed on File

- b. Email from William Zimmerlee Re: Timeline for Pole Usage Permit

Received and Placed on File

Commissioner Nelson spoke about the email regarding the pole usage permit. He stated his concerns about the delay of usage permits in the East Lansing area for light speed service and suggested that the BWL Legal Counsel review the matter to determine if there is any anti-trust exposure on BWL's part.

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Commissioner Froh posed a question on whether the BWL can acquire information on what the permitting process entails in its entirety, and whether such standards are reasonable in comparison to standards of other carriers.

COMMITTEE REPORTS
FINANCE COMMITTEE
September 8, 2015

The Finance Committee of the Board of Water and Light met at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 7:10 p.m. on Tuesday, September 8, 2015.

Finance Committee Chairperson Ken Ross called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, Dennis M. Louney, Tracy Thomas and David Price. Also, present Commissioners Tony Mullen and Non-Voting Member: Bill Long (Delta Township).

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

Motion by Commissioner Thomas, Seconded by Commissioner Price, to approve the Finance Committee meeting minutes of July 14, 2015.

Action: Motion Carried

External Audit Communication Presented by Plante & Moran

Heather Shawa-DeCook, Chief Financial Officer (CFO) introduced external auditor Doug Rober, Partner with Plante Moran (P&M) and Marie Stiegel, CPA with P&M, who reviewed and presented the External Auditing Communication.

Mr. Rober said that Plante Moran audited the enterprise fund and the three pension trust funds, which make up the Defined Contribution Plan (DC Plan), Defined Benefit Plan (DB Plan), and the VEBA Benefit Trust. In each of the audits, P&M's opinion of the audits is Unqualified.

Marie Stiegel reviewed Audit PowerPoint Presentation that including the following:

- Operating Revenue – Four Year Comparison
- Operating Expenses – Four Year Comparison
- Operating Income
- Sales of Kilowatt Hours – Five Year Trend
- Kilowatt Hours Generated Versus Produced – Five Year Trend
- Significant Power Cost
- Projected Principal and Interest Payments – Five year Projection
- Revenues, Expense and Net Income by Utility
- Enterprise fund Balance sheet

Ms. Stiegel covered the required communication for those charged with governance, the end-out-audit letter, which outlines best practices, recommendations and upcoming accounting standards and recommendations. Ms. Stiegel noted that there were no significant changes to the audit plan from what was previously communicated.

Concluding the Auditors report there was a questions and answers session with the auditors responding to a series of questions concerning the audit findings as well as confirmation of complete cooperation exemplified by Board of Water & Light's management.

Motion by Commissioner Price, Seconded by Commissioner Thomas to forward the proposed resolution for the acceptance of the FY 2015 audited financial statements, to the full Board for consideration.

Action: Motion Carried

July Preliminary Financial Highlights

Heather Shawa-DeCook, Chief Financial Officer (CFO) presented preliminary financial numbers to the Board as such: revenue 31.6 million; net income, 5 million; cash at hand, 82.7 million; cash position at 8/28, 87.6 million.

Review of Audit Quarterly Open Issues List

Heather Shawa-DeCook, Chief Financial Officer (CFO) reported the open issues list from BWL's internal audits to the Board.

STATUS OF MANAGEMENT RESPONSES TO AUDIT REPORTS AS OF 7/31/15

Open Issues

- #12 Records Retention Management Audit (March 2014) - Internal Audit found that records on hand did not always correspond with the Record Retention Schedule; namely, a portion of I-9 forms and some asbestos bills of lading.
- Status: Regarding I-9 forms, the Human Resources Department is in the process of ensuring that they are on file for all active employees. This project is ongoing with an expected completion date of 12/31/15. During July, 44% of needed I-9 forms were collected. Concerning the appropriate retention schedule for the asbestos bills of lading (a.k.a. asbestos manifests), it will be reviewed and updated as part of the overall review of the Record Retention Schedule. Enterprise Content Management anticipates an updated master document will be sent for executive management review by October 2015. Approval by the State of Michigan is expected in early 2016.
- #13 Records Retention Management Audit (March 2014) - The Internal Auditor determined that records on hand in departments did not always correspond with the Record Retention Schedule.
- Status: Enterprise Content Management is reviewing the existing Record Retention Schedule with the appropriate departments and cataloging all proposed revisions. Enterprise Content Management anticipates an updated master document will be sent for executive management review by October 2015. Approval by the State of Michigan is expected in early 2016.
- #15 Accounts Payable Audit (April 2014) - The audit revealed the existence of more than 14,000 vendor master entries. Within these entries are duplicates and vendors that have been blocked. Further review and analysis was recommended.
- Status: Accounts Payable (AP) is focusing their efforts on confirming information for current payees (including W-9 forms) and working jointly with Purchasing in identifying new vendors to set up as new payees only when warranted. AP is also working jointly with the IT Department in determining which vendor entries should be retained or blocked on SAP due to inactivity.
- #16 Accounts Payable Audit (April 2014) - The Goods Receipt/Invoice Receipt account balance is higher than previous years. Internal Audit recommends that management focus on resolving mismatched items in this account and clear unresolved documents older than a particular age.
- Status: To reduce the recurrence of these types of issues, Accounts Payable (AP) has developed a refresher training course on the system receiving function for presentation to all users and, also, anticipates automated email notification becoming available in FY16. Also, to address the current account balance and clear older items, AP is working with departments to resolve goods and invoice receipts older than 15 months and on reducing the occurrence of invoices 45 days or older. By their nature, the occurrence of these events and the resulting efforts to address them will be ongoing with no specific, final completion date, although it is anticipated that any increase in frequency or amount will be related to normal seasonal activity and not to a lack of oversight and effort to resolve them.
- #17 Close the Books Audit (August 2014) - The Internal Auditor determined that accounting procedures should be updated and stored in a central location, with consideration given to the use of a general accounting manual.
- Status: General Accounting is continuing to work on centralizing and updating all current procedures. Updates to the general accounting manual are approximately 50% complete, however, General Accounting's work efforts on these projects have been delayed due to fiscal year end work demands, along with unanticipated staffing changes. Changes are expected to be complete by 3/31/16.
- #20 Materials Inventory Management Audit (January 2015) - The Internal Auditor found access to two inventory related SAP system transaction types to be excessive.

Status: The removal of unnecessary access has been requested of the IT Department by Purchasing & Warehousing (PW). PW has also taken it upon themselves to develop an additional control, in the form of a periodic report run to monitor a particular situation where duties cannot always be adequately segregated due to limited availability of backup personnel in non-routine instances. In addition, PW, with the assistance from Internal Control, is developing a process to ensure that outdated and inappropriate user access is identified and corrected on an ongoing basis. To date, a draft report has been developed by Internal Control and is being reviewed by PW. Once finalized, this review will be conducted semi-annually.

- #23 Annual Projects Management Audit (July 2015) NEIF - Internal Audit determined that the project close-out process did not always include a documented narrative explaining why actual costs exceeded estimates.

Status: The project close-out process is being enhanced by consistently providing a narrative explanation when project costs exceed estimates by a threshold of 15% and \$50,000. Implementation by the Customer Projects and Electrical System Integrity areas is complete. The Water Distribution area estimates an implementation date of 10/1/15.

- #24 Annual Projects Management Audit (July 2015) NEIF - Internal Audit determined that the project close-out process did not always identify use of contingency amounts.

Status: The project close-out process is being enhanced by consistently identifying use of contingency amounts when project costs exceed estimates by a threshold of 15% and \$50,000. Implementation by the Customer Projects and Electrical System Integrity areas is complete. The Water Distribution area estimates an implementation date of 10/1/15.

Closed Issues (since last report of 5/31/15)

- #18 Materials Inventory Management Audit (January 2015) - Internal Audit's physical inventory counts at the main warehouse revealed some differences from book balances.

Status: Purchasing & Warehousing (PW) has, and continues to, emphasize to PW staff and user departments the importance and criticality in completing the proper paperwork and forms. PW has also initiated relationship-building efforts with their user departments, to enhance communications and accountability, and explored and implemented other options to enhance control over inventory. PW continues to count high-dollar, fast moving inventory items more frequently than once a year and will begin to count yard items on a monthly basis. Within the past year, some yard items, such as transformers, have been moved to a secured offsite warehouse. Possible future technology enhancements to further improve the process will be supported with a business justification and subject to the capital project approval process.

- #19 Materials Inventory Management Audit (January 2015) - Internal Audit noted issues at two satellite inventory locations and recommended tighter controls at satellite inventory locations in general, citing the alternative of consolidation of inventories at the central warehouse.

Status: Satellite inventory is no longer being maintained at the REO and Eckert locations. Inventory at the Dye and Erickson plants has been reduced to a few critical items.

- #21 Special BOC Requested Audit (April 2015) - The Internal Auditor found that more clarity is needed in Board policy regarding the reporting of capital budget variances. Specifically, with regard to a clarification from the Board of Commissioners as to when, for a multi-year project in particular, a budget variance exceeding the defined threshold should be reported to and approved by the Board.

Status: Board Policy 15-02 was amended by Board Resolution 2015-07-05, which provides the necessary clarification.

- #22 Special BOC Requested Audit (April 2015) - The Internal Auditor found that the former General Manager's procurement card expenses were not adequately reviewed or supported and that requirements could be clarified.

Status: Board Policy 7-05 was amended by Board Resolution 2015-07-04, which provides the necessary clarification.

There was a lengthy discussion after each reported open issue.

Internal Audit Process/2015-16 Audit Plan Modification

Internal Auditor Phil Perkins, presented an overview of the following information:

- Process Events/Milestones
 - Preliminary Risk Assessment and Scoping
 - Audit Announcement/ Opening Conference
 - Field work Phase
 - Pre-closing Meeting
 - Closing Conference
 - Audit Reporting
 - Audit Follow-up

FY2016 Audit Plan- Request for Change Approval

Planned Activity	Estimated Hours
Follow-up of Selected CRT/MPSC/BWL Recs.	300
Billing	500
IT - Information Security Policies	300
Training & Development	300
Safety Management: Hiring Process	400
IT - Manage Changes	400
Other Engagements:	
Surprise Cash Counts (2)	40
Time Reporting Reviews (2)	160
Central Maintenance & Fleet Time/Resource Reporting	100
Other Consulting (NERC/CIP Compliance, IRP/Strat Plan)	100
Total Estimated Hours	2,500

Motion by Commissioner Price, Seconded by Commissioner Louney to accept the change the Internal Auditor's FY 2016 Audit Plan to include the Hiring Process.

Action: Motion Carried

Public Comment

None

Other

Commissioner Louney congratulated Commissioner Ross on doing a good job as a new Finance Chair

Adjourn

On Motion by Commissioner Price, Seconded by Louney, the meeting adjourned at 8:53 p.m.

Respectfully submitted
Ken Ross, Chair
Finance Committee

COMMITTEE OF THE WHOLE
September 8, 2015

The Committee of the Whole of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 8, 2015.

Committee of the Whole Chair Dennis M. Louney called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross and Tracy Thomas and Non-Voting Member: Bill Long (Delta Township)

Absent: Commissioner Sandra Zerkle, Non-Voting Commissioners Michael Froh (Meridian Township) and Robert Nelson (East Lansing).

Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

Motion by Commissioner McCloud, Seconded by Commissioner Mullen to approve the Committee of the Whole meeting minutes of July 14, 2015.

Action: Motion Carried

North American Electric Reliability Corporation (NERC) Update

Interim General Manager, Dick Peffley, introduced Robert Lalonde, Manager of Bulk Power, who provided the Commissioners with a North American Electric Reliability Corporation (NERC) update. Mr. Lalonde provided historical information on the formation of NERC and how it led to mandatory compliance with developed

standards approved by the Federal Energy Regulatory Commission (FERC). He stated that NERC is an authority assigned with ensuring the reliability of the bulk electric system.

Mr. Lalonde's presentation included information on the responsibilities for the Internal Compliance Program, developed to measure and maintain compliance to standards applicable to the Board of Water & Light, as well as information on upcoming changes to the Critical Infrastructure Protection standards that require greater adherence on the part of the BWL.

Air Regulation Update

Interim General Manager, Dick Peffley, introduced Mark Matus, Manager of Environmental Services, who provided the Committee with an Air Regulation update. Mr. Matus explained that Mercury and Air Toxics Standards (MATS) is a 2011 rule from Environmental Protection Agency (EPA), in which the BWL has been working to become compliant by the deadline of April 2016.

Mr. Matus stated that in June of 2015, the U.S. Supreme Court ruled that the EPA has missed a critical step in the promulgation process of the MATS rule and as such, it has been remanded back to the Circuit Court of Appeals, who will decide whether to vacate the rule. In the meantime, Mr. Matus stated that BWL would use this time to complete the installation of equipment needed to comply with the MATS rule. Erickson station already has an activated carbon injection (ACI) system, which is a major component for mercury compliance, and the BWL is in the process of installing an ACI system at Eckert station to become MATS compliant with testing of the system expected to begin in January of 2016.

There was a lengthy discussion regarding whether the installation of the said system is reasonable considering Eckert station is nearing its useful life. Mr. Matus stated that it is reasonable to install the system because the Eckert station is needed to manage the BWL's distribution for the next 5 years. Commissioner Ross noted that the outcome of installing the equipment needed for compliance, whether the BWL is actually required to install it by the MATS rule, or not, is that we have cleaner air. Additionally, Mr. Matus explained that with the said system in place, the BWL will achieve 90% removal of mercury when the system is operating.

Community Review Team (CRT) Update

Interim General Manager Dick Peffley stated that he, Chair Price, Commissioner Long and George Stojic, Executive Director of Strategic Planning and Development, met to form a plan of how to wrap up the Community Review Team's (CRT) Recommendations. Mr. Peffley stated that his team suggested to hold a special board meeting in October; and to extend an invitation to the media, customers, General McDaniel and his review team, to attend the meeting with the intent of the BWL highlighting what has been accomplished since the ice storm and how the CRT's recommendations have been implemented with the intent of, or a way to officially conclude the CRT matter.

There was lengthy discussion regarding the CRT matter, with Commissioner Chair Price concluding by stating that the suggested meeting is a great idea and is a very good way to get closure on the CRT matter, that the BWL has done a good job with implementing the CRT recommendations and is the BWL is a different organization today because of it.

Educational training for the Board of Commissioners

Committee of the Whole Chair Louney discussed the subject of exploring different educational options for the Board of Commissioners. He presented the Commissioners with a brochure containing information on Janice Beecher, a professor at Michigan State University (MSU), and a nationally noted authority, who teaches the "Basics of Utility Regulation and Ratemaking" onsite.

Commissioner Chair Price stated that he finds the presented information to be a great idea and stated that this would be something to explore and consider for future educational training.

Community Strategy for outside governmental agencies

Interim General Manager, Dick Peffley, introduced Calvin Jones, Director of Governmental Affairs, and Community Services, who informed the Board of his daily roles and responsibilities with communicating with county, local, state and federal officials. Mr. Jones said that he is aware of their (governmental entities) concerns, and works hard to keep lines of communications open on the latest developments of what the BWL does and vice versa. Mr. Jones stated that it is his pleasure to stay proactive in his communication with other governmental agencies so that good working relationships are established.

There was a lengthy discussion regarding Commissioner's communication with other respected surrounding government entities. It was suggested the BWL Board visit and rotate meeting in surrounding communities and invite all entities to attend the rotating meetings, as this would provide a platform for them to discuss matters and issues affecting their specific areas.

Committee of the Whole Chair Louney stated that he would discuss this matter with Regional Representatives and draft proposed procedures for communicating. The proposed procedures would then be presented to the entire Board at a future Committee of the Whole meeting.

Joint Work Meeting Resolution BWL/Lansing City Council

Board Chair Price stated that recently the Board of Water & Light Board of Commissioners and Lansing City Council had a great joint meeting. Presented at the joint meeting was a resolution establishing yearly meetings between the two entities. Board Chair Price asked that the Committee of the Whole forward the resolution to the full Board for consideration.

Motion by Commissioner Price, Seconded by Commissioner Thomas to forward the proposed resolution to the full Board for consideration.

Action: Motion Carried

Public Comment

None

Other

Interim General Manager Dick Peffley discussed an email that was sent to the Commissioners regarding the Groesbeck area, where a new light speed is being installed. A customer questioned why the process takes 6 months to complete. Mr. Peffley explained that BWL's procedures require 90 days to design and another 90 days to implement.

Excused Absence

Motion by Commissioner Mullen, Seconded by Commissioner Price, to excuse Commissioners Froh, Nelson and Zerkle from tonight's meeting.

Action: Motion Carried

Adjourn

On Motion by Commissioner Price, Seconded by Commissioner Thomas, the meeting adjourned at 6:58 p.m.

Respectfully Submitted
Denis. M. Louney, Chair
Committee of the Whole

HUMAN RESOURCESS COMMITTEE
September 15, 2015

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 15, 2015.

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Anthony McCloud, Alternate Member Dennis M. Louney and Alternate Member Tracy Thomas. Also present: Commissioners David Price, Non-Voting Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township) and Robert Nelson (E. Lansing).

Absent: Commissioner Sandra Zerkle.

Public Comments

None

Approval of Minutes

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to approve the Human Resources Committee meeting minutes of July 28, 2015.

Action: Motion Carried.

Charter Position Appointment for General Manager – Resolution

HR Committee Chair Mullen introduced the resolution for the appointment of Richard R. Peffley as the BWL General Manager, removing Interim from his current title.

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to forward the proposed resolution appointing Richard Peffley (Dick) to the Charter Appointed Position of General Manager to the full Board for consideration.

There was a lengthy discussion regarding the hiring and appointment process for the General Manager.

Action: Motion Carried.

Commissioner Price disseminated a proposed employment contract agreement for the General Manager to the Commissioners and introduced Attorney Melissa Jackson, of Foster Swift, who reviewed the details of the proposed employment contract.

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to forward the proposed/draft employment contract of the General Manger to full Board for consideration.

Action: Motion Carried.

Excused Absence

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to excuse Commissioner Zerkle from tonight's meeting.

Action: Motion Carried

Public Comments

None

Adjourn

Motion by Commissioner McCloud, Seconded by Commissioner Thomas, the meeting adjourned at 6:33 p.m.

Action: Motion Carried

Respectfully Submitted
Tony Mullen, Chair
Human Resources Committee

MANAGER'S RECOMMENDATIONS

There were no Manager's Recommendations

UNFINISHED BUSINESS

There was no Unfinished Business

NEW BUSINESS

There was no New Business

RESOLUTIONS

RESOLUTION 2015-09-01

**JOINT WORK RESOLUTION OF THE LANSING CITY COUNCIL
AND THE BOARD OF WATER AND LIGHT COMMISSIONERS**

WHEREAS, the Lansing City Charter delegates to the Board of Commissioners (Board) of the Board of Water and Light (BWL) the responsibility for the administrative, executive, and policy-making authority over the operation of those City utility services assigned to it, and

WHEREAS, the Lansing City Charter recognizes that the Board is responsible to the Mayor and to the City Council for the provisions of those City Utility services in a manner consistent with best practices, and

WHEREAS, the City Council and the Board desire to develop a more formal cooperative relationship between each other, and

WHEREAS, the cooperation between the City Council and the Board would lead to better communication and more beneficial coordination between the City Council and the Board.

BE IT RESOLVED, that the City Council and the Board shall hold two joint work meetings per year. The President of the Council and the Chair of the Board shall schedule the meetings. The first meeting will be held after January following the election of Council Leadership, the second meeting will be held after July following the election of the Board of Water & Light's Officers (with additional meetings scheduled as necessary).

FURTHER RESOLVED, that the agenda of each of the aforementioned meetings shall include recommendations from both entities.

FURTHER RESOLVED, that the Chair of the Board and the President of the Council shall, on a regular basis, communicate to each other issues that are beneficial for the Council members and the Board members to discuss with their respective counterparts in their one-to-one interaction.

Motion by Commissioner Thomas, Seconded by Commissioner Ross to approve the Resolution for Joint Work Meetings with the Lansing City Council.

Action: Carried Unanimously

RESOLUTION 2015-09-02

Fiscal Year 2015 Audited Financial Statements
of the Enterprise Fund and Pension Fiduciary Funds

RESOLVED, that the fiscal year 2015 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2015 Audited Financial Statements of the Board of Water and Light and the report on auditing procedures with the State Treasurer as required by the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended) no later than December 31, 2015.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2015 Audited Finance Statements of the Board of Water and Light with the City of Lansing.

Motion by Commissioner McCloud, Seconded by Commissioner Mullen, to accept the Audited Financial Statements for FY 15.

Action: Carried Unanimously

RESOLUTION 2015-09-03

Appointment of Richard R. Peffley to the Charter Appointed Position of General Manager

WHEREAS, on January 13, 2015 the Lansing Board of Water & Light's (BWL) Board of Commissioners appointed Richard R. Peffley to serve as the BWL's Interim General Manager;

WHEREAS, the current Employment Agreement between Interim General Manager Richard R. Peffley and the BWL will terminate automatically once a permanent General Manager has been hired.

WHEREAS, the BWL Board of Commissioners desire to retain Mr. Peffley as the BWL's General Manager until otherwise determined by the BWL Board of Commissioners, effectively removing the "Interim" title.

RESOLVED, Richard R. Peffley is hereby appointed to serve as the BWL's General Manager.

FURTHER RESOLVED, the term of the Employment Agreement between Mr. Peffley and the BWL shall begin September 22, 2015 and expire on July 31, 2016.

Motion by Commissioner Mullen, Seconded by Commissioner Ross to approve the Resolution appointing Richard R. Peffley to the Charter appointed position of General Manager.

Action: Carried Unanimously

MANAGER'S REMARKS

General Manager Peffley thanked all of the BWL employees for their contribution and support with the funeral fallen firefighter Dennis Rodeman. Mr. Peffley specifically thanked Trent Atkins, BWL's Director of Emergency Management for his help with logistic planning for the funeral.

General Manager, Dick Peffley also informed the Board that the BWL recently demonstrated a regional leadership day-long training of Emergency Responders at the East Lansing Public Library.

COMMISSIONERS' REMARKS

Commissioner Louney congratulated Dick Peffley on his appointment of General Manager. He stated that the BWL has the right person leading the BWL and the utility company will be better because of his leadership.

Commissioner Thomas congratulated General Manager Peffley on his appointment and thanked him for his humbleness.

Chair Price stated that he is looking forward to working with Mr. Peffley and that he is confident that his leadership will bring even more stability to the BWL.

EXCUSED ABSENCE

None

PUBLIC COMMENTS

Mike Hamel, Assistant Fire Chief, thanked the Lansing Board of Water & Light, and its entire staff for coming together with the Lansing Fire Department to honor the fallen firefighter, Dennis Rodeman.

Brad VanGuilder, of Sierra Club asked the Board that transparency be reflected in the Integrated Resource Process (IRP).

ADJOURNMENT

On motion by Commissioner McCloud, Seconded by Commissioner Mullen the meeting adjourned at 6:01 p.m.

M. Denise Griffin, Corporate Secretary

Official Minutes filed (electronically) with Lansing City Clerk: November 20, 2015

APPLICATION FOR A SHOW LICENSE

The undersigned hereby applies for a license to sponsor, operate, exhibit, perform or cause to be operated, exhibited or performed a "SHOW" within the limits of the City of Lansing, Michigan. Show means any circus, menagerie or other exhibition, entertainment, carnival or show, of any nature and name for which money or any other consideration is in any way demanded or received for admission.

Name of Applicant KM Fight Group Inc.
Address of Applicant A12-550 Parkside Drive Waterloo Ont N2L 5V4
Phone Number of Applicant 519-572-1981 Date of Birth Feb. 1 / 72
Email Address Petey Keung @ aol.com

Name of Owner(s) Pet-Te Keung & Adam Molnar
Address of Owner(s) A12-550 Parkside Drive, Waterloo Ont N2L 5V4
Name of Operator(s) Pet-Te Keung & Adam Molnar
Address of Operator(s) A12-550 Parkside Drive, Waterloo, Ont N2L 5V4
Name of Sponsor(s) Dan Henry Distribution
Address of Sponsor(s) 5500 Aurelius Rd Lansing 48911

Location of Show Causeway Bay Hotel **SITE PLAN REQUIRED**
Show Date(s) Nov 21, 2015
Description of Show NMA Event

Expected Attendance 1500 **SECURITY PLAN MAY BE REQUIRED**
Admission Charges \$30 \$510 table

*pd \$500.00
11/21/15
TS*

Insured By United States Fire Insurance Co
(For Public Liability in the amount of \$300,000 to \$500,000 and Property Damage in the amount of \$100,000.
The City of Lansing must appear as an additional insured and receive a 10-day cancellation notice.)

Policy # SRIC-101-0414 Date Issued Nov 2/15 Expiration Nov 22/15

Bonded by Auto-Owners Insurance
(in the Penal Sum of \$1,000)

Bond # 66103620 Date Issued Feb 5/15 Date Expires Feb 5/16

I understand that a false statement on this application may result in either a denial of this application or subsequent revocation if this license is granted.

Has the applicant, owner, or sponsor; or any person with an ownership interest in the applicant, owner, or sponsor; or any person who will manage the show had any citation or conviction for, or guilty plea to, a violation of the laws of the United States, any State or any local unit of government regulating the operation of a show?

☐ Yes ☐ No If yes, disclose details:

APPLICANT SIGNATURE: _____

Subscribed and sworn to before me this 2 day of November 2015

Rickie Street
Notary Public, Ingham County, Michigan

07/09/2020
Commission Expires

APPROVED BY:

Building Safety Division

Marshall J. Blake
Fire Marshal

Date

11/20/2015

Date

Chief of Police

Date

FEE: \$250.00 Per Day/Per Location. Not to exceed \$1000.00 Per Year/Per Location/Non-refundable

(REV 2/12)

Rickie Street
RICKIE STREET
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF INGHAM
MY COMMISSION EXPIRES JULY 9, 2020
Acting in the County of Ingham

**PARK BOARD MEETING
Foster Community Center
September 9, 2015**

MEMBERS PRESENT: Rick Kibbey, James McClurken, Paul Holland, Gib King, Bryan Beverly, Rita O'Brien, Rosalinda Hernandez

MEMBERS ABSENT: Veronica Gracia-Wing

OTHERS PRESENT: Brett Kaschinske, Parks and Recreation Director; Kellie Brown, Board Secretary; Sandy Wolfe and Stacy Locke, Peckhan; Chris Mackey; Trek Vandecar

CALLED TO ORDER: 7:02 p.m.

ADDITIONS/DELETIONS TO THE AGENDA

None

STATEMENTS OF CITIZENS

Sandy Wolfe stated she currently lives in East Lansing at a rehabilitation center so she is not currently a Lansing resident, which stops her from being a member of a City board and she would like to see the rules changed. Rick Kibbey stated the residency guidelines are set forth in the City Charter and City Ordinances and have to be changes and approved by the Mayor and Council. Also the Mayor selects and appoints Board members to the various boards for approval by Council.

BOARD MEETING MINUTES

Paul Holland moved to approve the June 10, 2015 and July 8, 2015 minutes as submitted; seconded by Bryan Beverly. 7 years; 0 nays

Motion carried.

NEW BUSINESS

Election of Officers

Rick Kibbey stated he would be pleased to serve again or step down. Veronica has shown an interest in chairing the Board, however she is not present this evening.

Rick Kibbey opened the floor for nominations for Vice President of the Board. Bryan Beverly nominated Veronica Gracia-Wing, Paul Holland seconded. Kibbey asked for other nominations three times, hearing no other nominations Bryan Beverly moved to approve Veronica Gracia-Wing as Vice President. 6 years; 0 nays

Motion carried.

Paul Holland nominated Rick Kibbey for Board President; seconded by Bryan Beverly. Hearing no other nominations, Bryan Beverly moved to approve Rick Kibbey as President. 6 years; 0 nays.

Motion carried.

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2015 NOV 23 AM 10:05
LANSING CITY CLERK

Naming, Re-Naming Memorial Policy

Brett Kaschinske stated the Board had asked for guidelines and a policy for renaming parks and structures.

Rick Kibbey stated he liked the addition of geographic and historic names.

Rosalinda Hernandez inquired if the person needs to be deceased. Not necessarily as the Board recently had a request to rename St. Joe Park after Willard Walker who is not deceased.

Brett Kaschinske stated these are guidelines and not hard set policies. Also, the annual maintenance and long term maintenance costs have been included in the new policy.

Rick Kibbey inquired if the Board wanted to vote on this or take time to review it and go over it at the October meeting. Both Bryan Beverly and Paul Holland stated they would like to act on it at the next meeting.

Park Board Rules – Revised

Brett Kaschinske stated the Board passed an amendment to the Park Board rules in February to change the wording regarding the number of members necessary to be a quorum when there is not a full board. The version provided this evening is the same amendment voted on in February with some word changes that were made by the City Attorney, but do not change the previous approved changes.

Paul Holland moved to accept the few word changes to the already approved amended Park Board Rules; Bryan Beverly seconded. 7 yeas; 0 nays.

Motion carried.

OLD BUSINESS

Skate Park/Bike Rules

Rick Kibbey stated there was a presentation and discussion at the July meeting regarding bike use at Ranney Skate Park and it was requested the bike riders and skaters would get together and return with recommendations and rules for the two groups to utilize the skate park.

Trek Vandecar provided a proposed set of rules and policy to implement the change to the board members.

September 9th, 2015

Ranney Park – Allowing Bicycles

1. Bikers and Skateboarders Represented

- a. Created two different petitions: One produced using ipetitions.com and one produced via MS word and distributed among the East Lansing and Lansing community.
- b. Hundreds of signatures were obtained which included: bikers, skateboards, parents, and community members signed. These signatures represent the overwhelming support for the Biking and Skateboarding community.
- c. Gained support from local skateboard and long board shop, Action Board Shop.
- d. Trek Vandecar, owner of local Bike and Skateboard shop, is representing both skateboards and bikes.
- e. All conflicts with aggressive skaters have been resolved. Skaters originally opposed of allowing bikes in Ranney Park have signed the petition and agree that Bike need to be allowed at the park.

2. Ranney Park Rule Change

- a. Current rule sign at Ranney Park will be replaced or restored. Revealing of new sign at the “Re-Opening” event of the park
- b. All signs that prohibit the use of Bikes in the park will be removed and destroyed.

c. New Rules for Ranney Park as Follows-

- I. Bikes are permitted in the Ranney Park with the use of plastic pegs, pedals and bar ends. No metal pegs, pedals or bar-ends will be permitted in the park.
- II. Wearing a helmet, kneepads, elbow pads, and wrist guards is **strongly** recommended and should be used at all times. Know your ability and ride and/or skate accordingly.
- III. The following items and activities are **prohibited**: Littering and Glass Containers.
- IV. The use of Drugs of Alcoholic Beverages is **prohibited**.
- V. Graffiti in the Skate/Bike Park is **prohibited** and will not be tolerated. Please keep all park surfaces clean, as graffiti will close the park for paint removal.
- VI. The following modifications to the park are prohibited: Installing and/or removing Grind Rails, Jumps, Benches and Trashcans.
- VII. Most importantly have ride safely and have fun!
* Addition of any other General City of Lansing Park Rules that are necessary

3. How to Implement/Introduce Rule Change

- a. The Bike Shop will sponsor a “Re-Opening” event at Ranney Park in celebration of Bikes being allowed.
 - i. All community members will be welcome, along with Bikers, Skateboarders, and families.
 - ii. Local News stations will be invited for the “Re-Opening” event.

Bryan Beverly inquired about 1E and the statement skaters originally opposed allowing bikes in the park. Trek stated yes they had because it was stated as a rule and they were also concerned about the metal pegs.

Rick Kibbey stated the general question is can these two activities co-exist.

Rick Kibbey inquired about C6 and asked for clarification on what the grind rails, benches and trash cans are used for.

Trek Vandecar stated someone put in a rail at the park to ride on and also they will move trash cans and benches to use for stunts.

Brett Kaschinske stated he has looked for the rail and has been unable to locate it. Trek Vandecar stated the individuals that put the rail in did a good job and he would be happy to meet at the park to provide the location.

Brett Kaschinske stated he has followed up with Team Pain regarding bikes in the park. When the park was first opened, bikes and skaters were not together because of the large number of participants using the facility and the volume could not be managed safely. Bikers and skates do co-exist in newer parks.

Brett Kaschinske stated he would not have an issue with the rules, especially if plastic pegs on the bikes are used.

Paul Holland stated at the last meeting it was bikers versus skaters and he has concerns about the self-enforcement of the policies and rules.

Trek Vandecar stated originally there was a \$50 ticket issued for bikers using the park and maybe that could be implemented again to those not using plastic pegs.

Bryan Beverly referred to the July minutes and referenced the comment about the former Parks Director, Murdock Jemerson, and there not being enough space for both bikes and skaters.

Brett Kaschinske stated he spoke with Tim Payne and that is not the case.

Gib King moved to accept the rules presented with modifications by the Park Board to allow bikes at Ranney Park. Seconded by Bryan Beverly. 7 yeas; 0 nays.

Corrections will be made and the revised rules will be presented to the Board to accept and plans will be established to implement signs and enforcements.

Motion carried.

Bancroft Park

Brett Kaschinske stated this is a \$12,000,000 project and the county has already spent \$6,000,000. This has been an ongoing project for a number of years and the agreement was signed in 2009.

Gib King clarified the drain is going through the golf course and not the neighborhood.

Brett Kaschinske stated yes, it is going through the course and into Bancroft Park. The pond system to clean the water will be similar to Fairview Park.

Brett Kaschinske stated there is currently a sledding hill which ends at the edge of a pond. We have the opportunity to move the dirt at the time of construction from the course to Bancroft to create a different sledding hill, which would save money and allow for the addition of tees on the course.

This idea has been presented to the Friends of Bancroft and we are waiting to hear back from them.

Rick Kibbey would like to create a question and answer sheet to answer the questions the Friends had regarding this project to provide clarification.

Brett Kaschinske stated he could use the article in the ENO newspaper the Friends submitted and consult with Brian Censi to create the question and answer sheet.

Jim McClurken stated the other questions were about the road at Bancroft and who will be driving on it. Also, about the trees that will be cut down. He spoke with the drain commissioner who has documentation from the neighborhood from previous meetings which supports accessibility. Also, the group that was at the last board meeting is a cross country bike group that does not want roads.

Brett Kaschinske stated the new president of Friends of Bancroft Park lives in Williamston.

Rita O'Brien stated she is unclear on the projects, the final results and what it will look like.

Brett Kaschinske offered to show Rita, or anyone interested the schematics of the project.

Brett Kaschinske stated the drain commissioner has met with the Park Board and with the Friends over the years and the City and County have done their due diligence.

Zipline

Brett Kaschinske stated the site at Old Town and Turner Dodge will not work. We are currently looking at options at Riverfront Park.

Brett Kaschinske stated if this Board does not want a zipline anywhere in the city, he needs to know.

Gib King stated the vote regarding the zipline was to research other locations.

Tennis Lights

Brett Kaschinske stated the proposal from a few individuals in the neighborhood was to increase lights at the Letts Center tennis courts to allow for night play.

If we were to put LED bulbs in the current light fixtures to allow night play, it would require approval from the neighbors that surround the tennis courts and the lights would need to be put on a timer. The costs from BWL are approximately \$60,000, and the upgrade would still not meet the standards set for evening recreational tennis play.

Gib King recommended the neighbors requesting this come to the Board with possible grants, such as USTA.

Women's Historical

Brett Kaschinske stated the Mayor sent a letter, which was forwarded to Board members, but there has not been a response yet.

Beacon Field

The grand opening went really well. Veronica, Bryan and Paul attended. The individuals who stayed to play is exactly who we want there. This is a great example of private money, city money and grant money being combined for a project.

River Trail

Brett Kaschinske verified the Board Members received the list of county meetings. He would like representation at the meetings.

Rita O'Brien asked for a write up on why individuals should attend the meeting and what the Park Board members may say.

Kaschinske stated Lansing was one of the areas that passed the millage and Lansing makes up 40% of the population and contributes over \$900,000 annually to the millage fund.

Meeting adjourned at 8:35 p.m.

Respectfully Submitted: Kellie Brown, Park Board Secretary

Approved November 18, 2015

**PARK BOARD MEETING
Foster Community Center
October 14, 2015**

MEMBERS PRESENT: Rick Kibbey, Veronica Gracia-Wing, Bryan Beverly, Rosalinda Hernandez

MEMBERS ABSENT: Paul Holland, Gib King, Rita O'Brien, Jim McClurken

OTHERS PRESENT: Brett Kaschinske, Parks and Recreation Director; Kellie Brown, Board Secretary; John Flaherty, Friends of Bancroft Park; Trek Vandecar

CALLED TO ORDER: 7:00 p.m.

ADDITIONS/DELETIONS TO THE AGENDA

Kaschinske added under updates Grand Woods Park, River Trail map and Fall Activity Guide

STATEMENTS OF CITIZENS

None

BOARD MEETING MINUTES

Tabled until November meeting due to lack of quorum

Motion carried.

NEW BUSINESS

Naming, Re-Naming, Memorial Policy

Kaschinske stated this has been on the agenda for a couple months. Last month the Board requested to review the policy and come back to the October meeting to vote. Due to lack of quorum, this item will be moved to the November meeting.

Park Board Rules

Kaschinske stated there has been a change in city attorneys and since this was last brought to the Board, item seven (7) regarding attendance has been added to correspond with the City Ordinance.

Kibbey tabled item until the November meeting.

Gracia-Wing inquired about adding a rule in reference to rule eight (8) which states the Board shall schedule at least one regular meeting each month and the practice of not holding an August meeting.

Kaschinske stated in the past the August meeting fell on the last concert of the season and sponsor appreciation night. Also, August usually was a light agenda item month.

Brown stated when the annual schedule is submitted to the Clerk and Council offices in December for the following year, notation is made there will not be an August meeting. Gracia-Wing was satisfied with this process.

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LANSING CITY CLERK

Crego Park Cell Tower

Kaschinske stated Verizon has requested to put a cell tower at Crego Park. Kaschinske reviewed the area on Google maps, which would be the area used in the past for leaf recycling. The tower would be visible from the River Trail, but the department has not received calls regarding visibility with the other towers on park land throughout the city.

Board members requested to know the installation time period, exact location within Crego, what type of lights will be on or around the tower and would they be a nuisance for the surrounding residents, what type of plantings will be replaced around the tower, the monthly rent and could it be less of an industrial color.

This item has been tabled until the November meeting.

Fairway Lane Lot

Kaschinske provided an aerial view of the area on Google maps. This parcel is park land, but it is not dedicated park land. The lot is .44 acre, is in a residential area and the department does not have a need for the parcel. To sell the property it would go through an ACT33 process, come back to the Park Board to vote and then to the Planning Board.

Kibbey inquired about the zoning, which is "A" residential, and bill boards.

Kaschinske stated there is a moratorium from the Granholm administration on installation of bill boards.

Annual Report

Kibbey stated this is a great opportunity to correspond with the Mayor and Council on what the Board has done.

Kibbey stated he would work on the report and inquired who else would be interested.

OLD BUSINESS

Ranney Skate/Bike Rules

Kibbey stated the Board had asked for the skate and bike community to put together rules for Ranney Park to include both the use of skate boards and bikes at the Park. The rules were presented at the September meeting and the Board accepted the rules.

Gracia-Wing reviewed the September minutes stating the new rules would be revised and brought back to the Park Board to vote on. The revised rules were included in the October packet.

Kaschinske stated the standard is to list the top three (3) rules and provide a QR code to the complete set of park rules.

Gracia-Wing stated she would like all the rules listed to provide accountability.

Kibbey would like the rule regarding "Shared Space" to be moved into the top three (3).

Gracia-Wing asked that Kaschinske check into the guidelines regarding electronic voting on agenda items.

UPDATES**Zip Line**

Kaschinske stated there is a meeting scheduled at the end of October with Jarl Brey, Chad Gamble and Scott Keith to discuss a proposal to place the zip line at Riverfront Park near the train trestle bridge.

River Trail Millage

Kaschinske stated the first meeting was held on September 30 for the southern portion and Delhi. There were about 35 people in attendance and the majority of the conversation was on the River Trail and not the Delhi portion. There are concerns about flooding under I96 and the main focus was on maintenance being first with safety second and connectivity third. There will be six (6) meetings total; the next one in Lansing will be November 12 at Foster Center. There will be an on-line survey that will be sent out later.

Tennis Lights at Letts

Kaschinske met with the Westside Neighborhood Association and presented the figures provided from BWL for lights. The current lights would need to be replaced and the total cost is approximately \$59,000. There would need to be approval from the surrounding neighbors and at this time there is not an apparent need for the lights to proceed with the request.

Programmer Position

Kaschinske stated we are currently in the testing and selection process. Hopefully the position can be filled by Thanksgiving.

Beverly inquired what the process is.

Kaschinske stated the posting is down, HR is currently testing candidates, HR will score the tests and interviews will be held.

Beverly inquired what the transition process entails.

Kaschinske stated there is not currently anyone in the position to transition from. There is a programmer at Letts; also the Manager will provide training on city policies and procedures. The individual's skills and experience will be evaluated and staff may or may not be relocated depending on the needs of the center and the best staff to meet those needs.

Bancroft Park

Kaschinske stated there was the potential to move dirt from the drain project at Groesbeck to Bancroft Park to create a sledding hill in the park. He spoke with Jeff Potter and Jeff Cornell from the Friends of Bancroft and they are not interested in a manmade hill. There may be an opportunity to use some of the fill to flatten out Bancroft.

Kibbey stated Friends of Bancroft sent out an invitation to Board Members to tour the park tomorrow, Thursday, October 15 at 3 p.m.

Gracia-Wing inquired if there could be more advance notice sent to Board Members. She would like to tour the park, but is not able to on the short notice.

John Flaherty stated they could do another tour and will e-mail the board to schedule an additional date and time.

Grand Woods Park

Kaschinske stated there was an article in the State Journal regarding the sale of the property. The article was generated by Delta Township. The City has been in discussion with Delta, Lansing residents voted to approve the sale in November 2014. The terms still need to be worked out and it would need to go before the Delta Trustees and Lansing Council for approval. The property was appraised at \$764,000 including the buildings. Delta had the appraisal done and the City is comfortable with the figure. All but fourteen (14) acres of the property is in the flood plain.

River Trail Map / Community Activity Guide

New maps and the Fall 2015 guide were distributed to Board members.

Meeting adjourned at 8:40 p.m.

Respectfully Submitted: Kellie Brown, Park Board Secretary
Approved November 18, 2015

**REGULAR MEETING OF
BOARD OF PUBLIC SERVICE
October 8, 2015**

PRESENT: Cleo Anderson, Lyndon Babcock, Samara Morgan, Shirley Rodgers,
and Alfreda Schmidt

ABSENT: Ron Bloomberg, John Krohn, and Nancy Mahlow

STAFF: Christopher Mumby, and Sid Scrimger

VISITORS: None

1) CALL TO ORDER:

Chair Rodgers called the meeting to order at 11:40 a.m., at the Lansing Public Service Department Wastewater Treatment Plant.

- a. Roll Call
- b. Excused Absences: Ron Bloomberg

2) APPROVAL OF BOARD MINUTES:

September 10, 2015

Ms. Morgan moved, Mr. Anderson seconded, MOTION CARRIED UNANIMOUSLY to approve the minutes for September 10, 2015, as presented.

3) CITIZEN COMMENTS ON AGENDA ITEMS: None

4) ADJOURN:

The meeting adjourned at 11:44 a.m., to tour the Wastewater Treatment Plant (Ms. Mahlow arrived at 11:45 a.m. and attended the tour.)

Respectfully submitted by,
Janette Tate, Recording Secretary

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2015 NOV 23 AM 10:30
LANSING CITY CLERK

Lansing
Entertainment
and Public
Facilities
Authority



Year Ended
June 30, 2015

Financial
Statements

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LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

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INDEPENDENT AUDITORS' REPORT

November 13, 2015

The Honorable Mayor,
Members of the City Council, and
Members of the Board of Commissioners of the
Lansing Entertainment and Public Facilities Authority
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the *Lansing Entertainment and Public Facilities Authority* (the "Authority"), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Lansing Entertainment and Public Facilities Authority as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015 on our consideration of the Lansing Entertainment and Public Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rehmann Johnson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

LANSGING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Management's Discussion and Analysis

As management of the *Lansing Entertainment and Public Facilities Authority* ("Authority") we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$936,740 (*net position*). Of this amount, \$850,501 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position increased by \$242,954 for fiscal 2015.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of:

- The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.
- The *statement of cash flows* presents the change in the Authority's cash and investments for the two most recent fiscal years.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$936,740 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (90.8 percent) is its unrestricted net position which may be used to meet the Authority's ongoing obligations to system users and creditors.

The remaining portion of the net position (0.7 percent) is its investment in capital assets (e.g., machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services; consequently, these assets are *not* available for future spending.

At the end of the current fiscal year, the Authority is able to report positive balances in both categories of net position. The same situation held true for the prior fiscal year.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Management's Discussion and Analysis

	Net Position	
	2015	2014
Current and other assets	\$ 5,686,879	\$ 1,633,570
Capital assets	6,239	14,398
Total assets	5,693,118	1,647,968
Other liabilities	4,756,378	954,182
Net position		
Investment in capital assets	6,239	14,398
Unrestricted	930,501	679,388
Total net position	\$ 936,740	\$ 693,786
	Change in Net Position	
	2015	2014
Operating revenues	\$ 6,477,993	\$ 5,599,274
Operating expenses	7,734,923	6,901,187
Operating loss	(1,256,930)	(1,301,913)
Nonoperating revenues	1,499,884	1,464,618
Change in net position	242,954	162,705
Net position, end of year	693,786	531,081
Net position, end of year	\$ 936,740	\$ 693,786

The Authority's net position increased by \$242,954 for fiscal 2015. Key elements of the 2015 increase include:

- An increase in revenues in the Lansing Center for rent and food services. A portion of those increases were offset by an increase in certain expenditures with the largest increase being in personnel services and food and beverages. An increase in expenses is attributed to the Cooley Law School Stadium renovation project.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Management's Discussion and Analysis

Capital Assets

Capital assets. The Authority's investment in capital assets as of June 30, 2015 amounted to \$6,239 (net of accumulated depreciation). Total net capital assets decreased by \$8,159. The decrease is due to depreciation expense.

	Capital Assets	
	2015	2014
Equipment	\$ 1,383,259	\$ 1,380,734
Less accumulated depreciation	<u>(1,377,020)</u>	<u>(1,366,336)</u>
	<u>\$ 6,239</u>	<u>\$ 14,398</u>

Additional information on the Authority's capital assets can be found in Note 5 of this report.

Economic Factors Affecting Next Year's Operations

The Authority is concerned with several types of economic factors that will significantly affect business in fiscal year 2015-16. The most significant among them are changes in consumer/customer behavior in response to local and regional economic conditions, the effects of inflation on the local labor market, health care costs, and the rates charged by the Authority's utility supplier.

The Authority's plan reflects a belief that local economic conditions will remain flat from those during fiscal year 2015-16. Inflation in the local labor markets will remain moderate, whereas inflation in utility and health care costs will be expected to rise.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lansing Entertainment and Public Facilities Authority, 333 E. Michigan Avenue, Lansing, Michigan 48933.

BASIC FINANCIAL STATEMENTS

LANSGING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Statement of Net Position

June 30, 2015

	Lansing Center	Cooley Stadium	City Market	Total
Assets				
Cash and cash equivalents	\$ 36,891	\$ 175,435	\$ 52,676	\$ 265,002
Restricted cash and cash equivalents	840,889	80,000	-	920,889
Accounts receivable, net	630,002	3,635,705	35,221	4,300,928
Due from other funds	54,502	-	-	54,502
Prepaid expenses	41,991	1,852	97	43,940
Inventory	101,618	-	-	101,618
Capital assets, net	2,483	3,756	-	6,239
Total assets	1,708,376	3,896,748	87,994	5,693,118
Liabilities				
Accounts payable	371,343	3,786,804	39,016	4,197,163
Accrued liabilities	198,502	412	-	198,914
Due to other funds	-	24,797	29,705	54,502
Unearned revenue	299,907	-	5,892	305,799
Total liabilities	869,752	3,812,013	74,613	4,756,378
Net position				
Investment in capital assets	2,483	3,756	-	6,239
Unrestricted	836,141	80,979	13,381	930,501
Total net position	\$ 838,624	\$ 84,735	\$ 13,381	\$ 936,740

The accompanying notes are an integral part of these financial statements.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2015

	Lansing Center	Cooley Stadium	City Market	Total
Operating revenues				
Building rental	\$ 1,029,676	\$ 7,000	\$ 88,759	\$ 1,125,435
Security	74,641	785	-	75,426
Food services	3,896,694	5,616	-	3,902,310
Equipment rental	779,400	415	-	779,815
Box office	17,939	514	-	18,453
Labor/service	296,761	4,953	-	301,714
Trade show utilities	177,528	-	-	177,528
Other	71,834	6,027	19,451	97,312
Total operating revenues	6,344,473	25,310	108,210	6,477,993
Operating expenses				
Personnel services	2,474,556	82,392	88,010	2,644,958
Food and beverage	2,282,375	-	-	2,282,375
Communications	11,257	2,461	2,154	15,872
Rents and leases	5,414	624	-	6,038
Professional services	408,888	5,736	2,517	417,141
Utilities	875,062	122,578	56,261	1,053,901
Marketing	98,199	947	14,449	113,595
Repairs and maintenance	157,708	70,072	8,260	236,040
Supplies and materials	189,085	4,544	8,147	201,776
Insurance	59,287	19,947	1,627	80,861
Events	335,000	-	-	335,000
Security	68,554	714	-	69,268
Depreciation	42	1,259	9,383	10,684
Bad debt expense	109,393	-	2,390	111,783
Other	130,099	25,313	219	155,631
Total operating expenses	7,204,919	336,587	193,417	7,734,923
Operating loss	(860,446)	(311,277)	(85,207)	(1,256,930)
Nonoperating revenues (expense)				
Annual operating subsidy - City of Lansing	825,689	310,688	53,523	1,189,900
Pass-through of hotel/motel tax collections from Greater Lansing Convention and Visitors Bureau	320,076	-	-	320,076
Interest income	170	-	-	170
Capital development fund expense	-	(10,262)	-	(10,262)
Total nonoperating revenues	1,145,935	300,426	53,523	1,499,884
Change in net position	285,489	(10,851)	(31,684)	242,954
Net position, beginning of year	553,135	95,586	45,065	693,786
Net position, end of year	\$ 838,624	\$ 84,735	\$ 13,381	\$ 936,740

The accompanying notes are an integral part of these financial statements.

LANSGING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Statement of Cash Flows

For the Year Ended June 30, 2015

	Lansing Center	Cooley Stadium	City Market	Total
Cash flows from operating activities				
Cash received from customers	\$ 5,927,374	\$ 25,310	\$ 65,031	\$ 6,017,715
Cash received from interfund services	-	9,279	7,131	16,410
Cash payments for goods and services	(4,539,387)	(165,751)	(63,147)	(4,768,285)
Cash payments to employees	(2,424,111)	(82,385)	(88,472)	(2,594,968)
Cash payments for interfund services	(16,410)	-	-	(16,410)
Net cash used in operating activities	(1,052,534)	(213,547)	(79,457)	(1,345,538)
Cash flows from noncapital financing activities				
Cash transfers from City and Common Ground	825,689	310,688	53,523	1,189,900
Cash transfers from Convention and Visitors Bureau	320,076	-	-	320,076
Net cash provided by noncapital financing activities	1,145,765	310,688	53,523	1,509,976
Cash flows from capital and related financing activities				
Payments for acquisition of capital assets	(2,525)	-	-	(2,525)
Cash flows from investing activities				
Interest on cash and cash equivalents	170	-	-	170
Net change in cash and cash equivalents	90,876	97,141	(25,934)	162,083
Cash and cash equivalents, beginning of year	786,904	158,294	78,610	1,023,808
Cash and cash equivalents, end of year	\$ 877,780	\$ 255,435	\$ 52,676	\$ 1,185,891
Reconciliation of operating loss to net cash used in operating activities				
Operating loss	\$ (860,446)	\$ (311,277)	\$ (85,207)	\$ (1,256,930)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation expense	42	1,259	9,383	10,684
Accounts receivable	(243,624)	(3,600,004)	(28,665)	(3,872,293)
Due from other funds	(9,733)	6,677	-	(3,056)
Prepaid expenses	856	3,291	-	4,147
Inventory	(21,781)	-	1,757	(20,024)
Accounts payable	211,859	3,683,898	31,120	3,926,877
Accrued liabilities	50,445	7	(462)	49,990
Due to other funds	(6,677)	2,602	7,131	3,056
Unearned revenue	(173,475)	-	(14,514)	(187,989)
Net cash used in operating activities	\$ (1,052,534)	\$ (213,547)	\$ (79,457)	\$ (1,345,538)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Lansing Entertainment and Public Facilities Authority (the “Authority”) was established under the charter of the City of Lansing in February, 1996, replacing the former Greater Lansing Convention/Exhibition Authority. The Authority was established to oversee the management and operations of the Lansing Center, Cooley Stadium and the City Market under an agreement with the City of Lansing.

The Authority is chartered as a building authority under the provisions of Act 31, Public Acts of Michigan, 1948. In the event of dissolution or termination of the Authority, all assets and rights of the Authority shall revert to the City of Lansing. The Authority’s Board of Commissioners consists of nine members appointed by the Mayor of the City of Lansing and approved by the City Council, and three ex-officio members.

The Authority is a discretely presented component unit of the City of Lansing.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Authority reports the Lansing Center, Cooley Stadium and the City Market enterprise funds as major funds in accordance with GASB Statement No. 34. Each fund accounts for the activities of its respective facility.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for facility rentals, sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities and Equity

Deposits and Investments

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize governments to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers’ acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Notes to Financial Statements

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Inventory and Prepaid Expenses

Inventory is valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Under the terms of the Authority’s operating agreement with the City of Lansing, the Authority is required to restrict \$50,000 annually for capital improvements and/or replacements. Any such monies unexpended shall be carried forward to future years. For the year ended June 30, 2015, all such restricted monies were expended on capital improvements, leaving a zero balance in restricted assets for capital improvements at year end.

Under an amendment to the operating agreement with the City of Lansing, the Authority is also required to maintain an event development cash reserve fund to provide a source of monies from which to finance events at the Cooley Stadium. The fund was established by an initial contribution from the City and may be increased up to certain limits by the amount of any profits earned from such events. Restricted assets for event development amounted to \$80,000 at June 30, 2015.

The Authority’s Board of Commissioners has also established a cash reserve account to ensure reasonable liquidity for Lansing Center operations. The balance of this cash reserve as of June 30, 2015 was \$840,889 and is reported as restricted cash and cash equivalents in the statement of net position. Generally, the reserve is intended to provide up to 60 days of operating cash (which would be approximately \$850,000 if fully funded). The account is adjusted annually for the prior year operating results and does not correlate with the Authority’s net position or fund equity. By contrast, the Authority’s fund equity position as of June 30, 2015, which represents accumulated net income, was \$838,624 for the Lansing Center fund.

Capital Assets

Capital assets, which are limited to equipment, are stated at cost and depreciated using the straight line method over the estimated useful lives of the assets ranging from three to ten years. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life of three years. Facilities managed by the Authority are owned by the City of Lansing and, as such, the carrying values of these properties are reflected in the City’s financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Notes to Financial Statements

2. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown on the statement of net position follows:

Statement of net position	
Cash and cash equivalents	\$ 265,002
Restricted cash and cash equivalents	<u>920,889</u>
Total	<u>\$ 1,185,891</u>
Deposits and investments	
Bank deposits - checking and savings accounts	\$ 358,472
Investments - money market accounts	787,864
Cash on hand	<u>39,555</u>
Total	<u>\$ 1,185,891</u>

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. None of the Authority's investments at year end have maturity dates.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. The Authority's investments are not rated.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. As of year end, \$341,928 of the Authority's bank balance of \$445,493 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Authority's investment policy does not specifically address this risk, although the Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

3. TRANSACTIONS WITH THE CITY OF LANSING

For the year ended June 30, 2015, the City of Lansing provided annual operating subsidies to the Authority in the amount of \$1,189,900 for the Lansing Center, Cooley Stadium, and the City Market.

4. RECEIVABLES

Receivables are composed entirely of amounts due from customers (net of an allowance for doubtful accounts in the amount of \$111,783) and the City of Lansing. Accounts receivable as of June 30, 2015 were as follows:

Accounts receivable, net	\$ 683,341
Accounts receivable - City of Lansing	<u>3,617,587</u>
Total accounts receivable	<u>\$ 4,300,928</u>

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Machinery and equipment	\$ 1,380,734	\$ 2,525	\$ -	\$ 1,383,259
Less accumulated depreciation	<u>1,366,336</u>	<u>10,684</u>	<u>-</u>	<u>1,377,020</u>
Capital assets, net	<u>\$ 14,398</u>	<u>\$ (8,159)</u>	<u>\$ -</u>	<u>\$ 6,239</u>

6. PAYABLES

Accounts payable is composed entirely of amounts due to vendors, except for \$156,430 payable to the City of Lansing. Accrued liabilities include wages payable, payroll taxes payable, insurance payable, and benefits payable.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Notes to Financial Statements

7. INTERFUND RECEIVABLES AND PAYABLES

Amounts due from and to other funds at year-end are as follows:

	Receivable	Payable
Lansing Center	\$ 54,502	\$ -
Cooley Stadium	-	24,797
City Market	-	29,705
	<u>\$ 54,502</u>	<u>\$ 54,502</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

8. DEFINED CONTRIBUTION PENSION PLAN

The Authority has a defined contribution pension plan covering substantially all full-time employees who have completed 120 days of employment. The Authority contributes 12% of participating employees' annual compensation to the plan. Effective January 1, 2003, employees are required to contribute 7.5% of covered wages as defined in the plan; prior to that date, no employee contributions to this plan were required. Such current employee contributions are in lieu of federal social security participation. Plan provisions and contribution requirements are established and may be amended by the Authority's Board of Commissioners. Employee contributions for the year ended June 30, 2015 were \$138,589. Employer contributions for the year ended June 30, 2015 were \$192,877. At June 30, 2015, there were 72 employees participating in the plan.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 13, 2015

Honorable Mayor,
Members of the City Council, and
Members of the Board of Commissioners of
the Lansing Entertainment and Public Facilities Authority
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the *Lansing Entertainment and Public Facilities Authority* (the "Authority"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

November 13, 2015

The Honorable Mayor, Members of the City Council
and Members of the Board of Commissioners of the
Lansing Entertainment and Public Facilities Authority
Lansing, Michigan

We have audited the financial statements of the business-type activities and each major fund of the *Lansing Entertainment and Public Facilities Authority* (the "Authority") as of and for the year ended June 30, 2015, and have issued our report thereon dated November 13, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 27, 2015, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated November 13, 2015. In addition, we noted a certain other matter which is included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on November 3, 2015.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the *Lansing Entertainment and Public Facilities Authority* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

Lansing Entertainment and Public Facilities Authority

Attachment A - Comments and Recommendations

For the June 30, 2015 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comment and recommendation regarding this matter. Our consideration of the Authority's internal control over financial reporting is described in our report, dated November 13, 2015, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated November 13, 2015, on the financial statements of the Authority.

Stale dated checks. In our testing of cash balances, we noted there are numerous outstanding checks greater than one year old. We recommend that the Authority implement procedures to identify and reissue the necessary payments or escheat any applicable funds.

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LANSGING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2015 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 72 ■ Fair Value Measurement and Application

Effective 06/15/2016 (your FY 2016)

This standard defines "fair value" as the price that would be received to sell an asset in an orderly transaction between market participants (an "exit price"). Fair value measurement is currently applied principally to investments, which GASB 72 does not change. However, it does introduce specific methods for measuring fair value when a market price is not readily available, and establishes a 3-level hierarchy of fair value that is disclosed in the footnotes, based on the presence or absence of observable market inputs.

GASB 73 ■ Pensions and Related Assets Not Within the Scope of GASB 68

Effective 06/15/2016 (your FY 2016)

This standard addresses accounting and financial reporting for pensions that were not covered by GASB Statement No. 68, because the plan assets are not held in trust. Essentially, it applies the same treatment as GASB 68, but reflects the total pension liability and plan assets separately, rather than a net pension liability. We do not expect this standard to have any significant effect on the Authority.

GASB 74 ■ Postemployment Benefit Plans Other than Pension Plans

Effective 06/15/2017 (your FY 2017)

This standard requires the calculation of a net other postemployment benefit (OPEB) liability based on an actuarial valuation of retiree healthcare and similar benefits administered by an OPEB trust. It mirrors the new accounting and financial reporting requirements of GASB 67 for pension plans.

GASB 75 ■ Postemployment Benefits Other than Pensions

Effective 06/15/2018 (your FY 2018)

This standard builds on the requirements of GASB 74 by requiring employers that provide other postemployment benefits (OPEB) to recognize a net OPEB liability on their statements of net position. It mirrors the new accounting and financial reporting requirements of GASB 68 for pension benefits.

GASB 76 ■ The Hierarchy of GAAP for State and Local Governments

Effective 06/15/2016 (your FY 2016)

This standard clarifies the source of "generally accepted accounting principles" (GAAP) for governments. Authoritative sources of GAAP now include (1) GASB pronouncements, (2) GASB implementation guides, and (3) AICPA literature specifically cleared by the GASB. This standard does not change existing GAAP.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2015 Audit

GASB 77 ■ Tax Abatement Disclosures

Effective 12/15/2016 (your FY 2017)

This standard requires governments to disclose certain information about tax abatement agreements made to foster economic development or otherwise benefit the government or its citizens. Required disclosures include a brief description of the arrangement, the gross dollar amount of taxes abated in the current period, and any additional commitments made by the government as part of the agreement.

2 CFR 200 ■ Uniform Guidance for Federal Awards

Cost Principles Effective 12/26/2014; Single Audit Requirements Effective 12/26/2015 (your FY 2016)

The Office of Management and Budget (OMB) has consolidated seven separate circulars (including administrative requirements, cost principles, and audit requirements) into a single federal regulation. The new Uniform Guidance covers all aspects of federal grants from pre-award through the single audit. While much of the guidance was simply reorganized and recodified, there were also several substantive changes to the single audit thresholds. A single audit will now only be required if total expenditures of federal awards exceed \$750,000 (up from \$500,000). The OMB also made revisions to the list of compliance requirements tested in a single audit.

In addition, the Uniform Guidance now explicitly requires grant recipients to have sound internal controls (which should be consistent with the COSO framework), and documented procedures for grant administration. Written procedures are required for payments (cash draws), procurement (including conflicts of interest), allowability of costs, compensation, and travel costs. Rehmann is available to assist grant recipients in developing/documenting these policies and procedures in compliance with the new requirements.

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LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY

Attachment C - Management Representations

For the June 30, 2015 Audit

Following are the written representations that we requested from management.



November 13, 2015

Rehmann Robson
675 Robinson Road
Jackson, MI 49203

This representation letter is provided in connection with your audit of the financial statements the business-type activities and each major fund of the Lansing Entertainment and Public Facilities Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 13, 2015:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 27, 2015, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.

We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

Significant assumptions used by us in making accounting estimates are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

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The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

With regard to items reported at fair value:

The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.

There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

All funds and activities are properly classified.

All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

All components of net position and fund balance classifications have been properly reported.

All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

All interfund and intra-entity transactions and balances have been properly classified and reported.

Deposit and investment risks have been properly and fully disclosed.

Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

All required supplementary information is measured and presented within the prescribed guidelines.

Information Provided

We have provided you with:

- Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a. Management;
- b. Employees who have significant roles in internal control; or
- c. Others where the fraud could have a material effect on the financial statements.

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.

We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

There are no:

- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.

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- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Scott Keith, CEO

Jennifer McFatridge, VP of Finance

Lansing Entertainment & Public Facilities Authority



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